

order shall actually be commenced, and a time ~~not--more--than--one--year~~ thereafter when such work is to be satisfactorily completed. If feasible, that time shall be within one year after the date of the supplementary order, but the owner of land on which a soil and water conservation practice is being established under this section shall not be required to incur a cost therefor in any one calendar year which exceeds ten dollars per acre for each acre of land belonging to that owner and located in the county containing the land on which the required practice is being established or in counties contiguous thereto.

Sec. 2. This Act is effective on January first following its enactment.

Approved April 20, 1979

## CHAPTER 116

### GOVERNMENT CONSTRUCTION PROJECTS

H. F. 669

AN ACT requiring a life cycle cost analysis for certain government construction projects.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. NEW SECTION. DEFINITIONS. As used in this Act unless the context otherwise requires:

1. "Public agency" means a county, city, school district, school corporation or combination thereof or an executive board, commission, bureau, division, office or department of the state.

2. "Facility" means a building having twenty thousand square feet or more of usable floor space that is heated or cooled by a mechanical or electrical system.

3. "Initial cost" means the moneys required for the capital construction or renovation of a facility.

4. "Renovation" means a project where additions or alterations exceed fifty percent of the value of a facility and will affect an energy system.

5. "Economic life" means the projected or anticipated useful life of a facility as expressed by a term of years.

6. "Life cycle cost analysis" means an analytical technique that considers certain costs of owning, using and operating a facility over its economic life including but not limited to the following:

- a. Initial costs.
- b. System repair and replacement costs.
- c. Maintenance costs.
- d. Operating costs, including energy costs.
- e. Salvage value.

7. "Energy system" includes but is not limited to the following equipment or measures:

- a. Equipment used to heat or cool the facility.
- b. Equipment used to heat water in the facility.
- c. On-site equipment used to generate electricity for the major facility.
- d. On-site equipment that uses the sun, wind, oil, natural gas, coal or electricity as a power source.
- e. Energy conservation measures in the facility design and construction that decrease the energy requirements of the facility.

Sec. 2. NEW SECTION. POLICY--ANALYSIS REQUIRED. The general assembly declares that energy management is of primary importance in the design of publicly-owned facilities. Commencing January 1, 1980, a public agency responsible for the construction or renovation of a facility shall, in a design begun after that date, include as a design criterion the requirement that a life cycle cost analysis be conducted for the facility. The objectives of the life cycle cost analysis are to optimize energy efficiency at an acceptable life cycle cost. The life cycle cost analysis shall meet the requirements of section three (3) of this Act.

Sec. 3. NEW SECTION. ELEMENTS OF ANALYSIS.

1. A life cycle cost analysis shall include but is not limited to the following elements:

a. Specification of energy management objectives and health, safety and functional constraints. The facility design shall comply with applicable state or local building code requirements.

b. Identification of the energy needs of the facility and energy system alternatives to meet those needs.

c. Cost of the energy system alternatives identified in paragraph b of this subsection.

d. Determination of amounts and timing of cash flow.

e. Calculation of life cycle cost using an economic model such as but not limited to rate of return, annual equivalent cost or present equivalent cost.

f. Evaluation of design and system alternatives using a method such as, but not limited to design matrixes, ranking tables or network analysis.

2. A public agency or a person preparing a life cycle cost analysis for a public agency shall consider the methods and analytical models in section six (6) of the manual of procedures for authorized class "A" energy auditors as amended to March 31, 1979 by the engineering research institute at Iowa state university of science and technology in preparing a life cycle cost analysis.

Sec. 4. NEW SECTION. ANALYSIS APPROVED. The life cycle cost analysis shall be approved by the public agency before contracts for the construction or renovation are let. A public agency may accept a facility design and shall meet the requirements of this Act if the design meets the operational requirements of the agency and provides the optimum life cycle cost. The public agency shall retain a copy of the life cycle cost analysis and a statement justifying a design decision both of which shall be available for public inspection at reasonable hours.

Sec. 5. NEW SECTION. EXCEPTIONS. This Act does not apply to buildings currently used by the division of adult corrections of the department of

social services as maximum security detention facilities or to the renovation of property nominated to, or entered in the national register of historic places, designated by statute, or included in an established list of historic places compiled by the director of the division of historical preservation of the Iowa state historical department.

Sec. 6. NEW SECTION. RESTRICTION ON USE OF PUBLIC FUNDS. Public funds shall not be used for the construction or renovation of a facility unless the design for the work is prepared in accordance with this Act and the actual construction or renovation meets the requirements of the design.

Sec. 7. This Act shall be effective January 1, 1980, except that for a county, city, school district, school corporation, or combination thereof the Act shall be effective January 1, 1982.

Approved June 4, 1979

## CHAPTER 117

### INTEREST RATES ON PUBLIC UTILITY REFUNDS

H. F. 337

AN ACT amending section four hundred seventy-six point six (476.6), unnumbered paragraph six (6), of the Code to provide that the rate of interest payable by a public utility on amounts refunded to customers under that paragraph shall be not more than twelve percent per annum, compounded annually.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section four hundred seventy-six point six (476.6), unnumbered paragraph six (6), Code 1979, is amended to read as follows:

However, a public utility shall have the right at any time after said rates, charges, schedules or regulations have been suspended for ninety days to place in effect any or all of such suspended rates, charges, schedules or regulations by filing with the commission a bond or other undertaking approved by the commission conditioned upon the refund in a manner to be prescribed by the commission of any amounts collected thereunder in excess of the amounts which would have been collected under rates, charges, schedules or regulations finally approved by the commission. The commission shall establish a rate of interest to be paid by a public utility to persons receiving refunds. Such rate of interest shall be not less than five percent per annum, nor more than ~~nine~~ twelve percent per annum, compounded annually.

Sec. 2. This Act is effective with respect to rates collected subject to refund after June 30, 1979.

Approved April 26, 1979